

ASSIGNMENT AND ASSUMPTION OF SUBLEASE

AND LANDLORD'S CONSENT

THIS ASSIGNMENT AND ASSUMPTION OF SUBLEASE AND LANDLORD'S CONSENT ("Assignment") is made as of the 20 day of Oct., 1997 by and between First Bank and Trust, as assignor ("Assignor") and Harbor Golf, LLC, a California limited liability company, as assignee ("Assignee"), with reference to the following facts:

A. The City of Fullerton, a Municipal Corporation of the State of California, as Landlord ("Landlord") has entered into that certain Sublease dated as of October 1, 1991, with Fullerton Golf Training Center Partners ("Fullerton Golf") as Tenant, and modified by that certain Addendum thereto purportedly executed on September 20, 1991 (collectively the "Sublease").

B. The City of Fullerton is a party to that certain Lease for Public Park and Recreational Purposes relating to the Property, as well as other real property, by and between the Secretary of the Army as the landlord (the "Army Corps"), and the City, as the tenant, dated March 31, 1967, as modified by that certain Supplemental Agreement No. 1, dated September 30, 1968, and by that certain Supplemental Agreement No. 2, dated June 3, 1974, and by that Certain Supplemental Agreement No. 3, dated October 1, 1991, which Lease and Supplements thereto are known as Lease No. DACW09-1-68-22 (collectively the "Master Lease").

C. Assignor is currently the tenant under the Sublease, having acquired title thereto pursuant to a foreclosure against Fullerton Golf.

D. Pursuant to the terms of that certain Agreement of Purchase and Sale of Leasehold Interest in Real Property dated August 1, 1997 entered into by Assignor as Seller and Assignee as Buyer (the "Purchase Agreement"), Assignor desires to assign and transfer to Assignee all of Assignor's interest as tenant under the Sublease and Assignee wishes to assume the obligations thereunder, all in accordance with this Assignment.

E. Assignor and Assignee desire to obtain Landlord's consent to this Assignment, since by the terms of the Sublease this Assignment is of no force and effect until and unless consented to by Landlord.

NOW, THEREFORE, for good and valuable consideration, the parties hereto agree as follows:

1. Effective as of the close of escrow pursuant to the terms of the Purchase Agreement ("Close of Escrow"), Assignor assigns and transfers to Assignee all of Assignor's right, title and interest as tenant under the Sublease, subject to the rentals, terms, covenants, obligations, easements and restrictions set forth therein.

2. Assignee hereby accepts the assignment of the Sublease as of the Close of Escrow, shall be entitled to all rights and benefits accruing to the tenant thereunder and hereby assumes all obligations and agrees to be fully bound by the terms of the Sublease, from and after the Close of Escrow.

3. Assignor hereby agrees to indemnify, hold harmless and defend Assignee from and against any and all liability, loss, cost, claim, damage or expense (including, without limitation, reasonable attorneys' fees) which Assignee incurs under the Sublease, and from any and all claims and demands whatsoever which are asserted against Assignee by reason of any alleged obligation or undertaking on its part to perform or discharge any of the terms, covenants or agreements contained therein, which liability, loss, cost, claim, damage or expense arises from acts, events or omissions occurring from July 2, 1997 through the Close of Escrow.

4. Assignee hereby agrees to indemnify, hold harmless and defend Assignor from and against any and all liability, loss, cost, claim, damage or expense (including, without limitation, reasonable attorneys' fees) which Assignor incurs under the Sublease, and from any and all claims and demands whatsoever which are asserted against Assignor by reason of any alleged obligation or undertaking on its part to perform or discharge any of the terms, covenants or agreements contained therein, which liability, loss, cost, claim, damage or expense arises from acts, events or omissions occurring on or after the Close of Escrow.

5. Any notice, tender, delivery or other communication pursuant to this Assignment shall be in writing and shall be deemed to be properly given if delivered, mailed or sent by wire or other telegraphic communication in the manner provided in this Section, to the following persons:

(a) If to Assignee:

Mr. Takero Sato
Harbor Golf, LLC
1600 Harbor Boulevard
Fullerton, California 92835

with a copy to

David J. Lewis
Law Offices of David Lewis
11400 West Olympic Boulevard, Ninth Floor
Los Angeles, California 90064

(b) If to Assignor:

First Bank & Trust
16531 Bolsa Chica Street #202
Huntington Beach, California 92649
Attn: Ms. Liz Van De Vanter

with a copy to

Steven Casselberry, Esq.
Law Offices of Steven Casselberry
1301 Dove Street, Suite 940
Newport Beach, California 92660

6. The provisions of this Assignment shall be binding upon and inure to the benefit of Assignor and Assignee and their respective successors and assigns.

7. This Assignment may be executed in counterparts which taken together shall constitute one and the same instrument.

8. This Assignment shall be of no force and effect unless and until Landlord's consent is obtained. Assignor and Assignee agree and acknowledge that they may not rely upon this Assignment in any way until said Landlord's consent is so executed by Landlord.

9. The persons executing this Agreement on behalf of the Parties hereto warrant that they are duly authorized to execute this Agreement on behalf of said Parties and that by doing so, the Parties hereto are formally bound to the provisions of this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Assignment and Assumption of Sublease as of the date first above written.

ASSIGNOR:

FIRST BANK AND TRUST

By:

Name: Liz Van De Vanter

Its: Vice President

10-7-97

ASSIGNEE:

HARBOR GOLF, LLC

a California limited liability company

By:

Takero Sato, Manager

10/11/97